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May 15, 1998

VIA HAND DELIVERY

Ms. Blanca Bayó
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 971399-tp - in re: Petition of BellSouth Telecommunications, Inc. to Lift Marketing Restrictions Imposed by Order No. PSC-96-1659-FOF-TP

Dear Ms. Bayó:

Enclosed are the original and 15 copies of the Joint Prehearing Statement of FCCA, AT&T, and MCI to be filed in the above docket.

I have enclosed an extra copy of the above document for you to stamp and return to me. Please contact me if you have any questions. Thank you for your assistance.

Sincerely,

Joe McGlothlin
Joseph A. McGlothlin

- ACK
- AFA
- APP
- CAF
- CMU *Paul*
- CTR
- EAG
- LEG JAM/jg
- LIN 5 Enclosures
- OPC
- RCH RECEIVED & FILED
- SEC *Mark*
- WAS FPSC-BUREAU OF RECORDS
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FPSC-RECORDS/REPORTING

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Bell South)	Docket No. 971399-TP
Telecommunications, Inc. to Lift)	
Marketing Restrictions Imposed)	
By Order No. PSC-96-1569-FOF-TP)	Filed: May 15, 1998

JOINT PREHEARING STATEMENT OF FCCA, MCI AND AT&T

Pursuant to Order No. PSC-98-0330-PCO-TP, the Florida Competitive Carriers Association ("FCCA"), MCI Telecommunications Corporation ("MCI") and AT&T Communications of the Southern States ("AT&T"), through their undersigned counsel, hereby submit their Joint Prehearing Statement.

A. WITNESSES.

FCCA, MCI and AT&T will jointly sponsor the testimony of MCI employee Sandra Seay. In her testimony, Ms. Seay will explain why the Commission should reject BellSouth's request to abandon the carrier-neutral protocol applicable to new customers that the Commission prescribed in Order No. PSC-96-1659-FOF-TP.

B. EXHIBITS.

There are no exhibits to Ms. Seay's direct testimony. FCCA, MCI, and AT&T reserve the right to offer exhibits during cross-examination.

C. A STATEMENT OF BASIC POSITION IN THE PROCEEDING.

In Order No. PSC-95-0203-FOF-TP, , the order in which the Commission ruled that 1+ intraLATA competition is in the public interest, the Commission approved a stipulation of parties that incorporated two primary components:

- (1) 1+-based competition would not be implemented through redistributing customers on the basis of balloting; and
- (2) local exchange companies must inform new customers of intraLATA options in the same way they are informed of their interLATA options.

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The effect of the Commission's approval of this stipulation of parties was that local exchange companies were given 100% of existing 1+ intraLATA customers at the outset of competition, but were required to utilize a carrier-neutral protocol when informing new customers of competitive intraLATA options.

While the carrier-neutral requirement thus originated as a negotiated trade-off that the Commission approved, the Commission later recognized the wisdom of the requirement on the basis of policy considerations. In Docket Nos. 960658-TP and 930330-TP, FCCA, MCI, and AT&T complained that BellSouth was instructing its representatives to favor BellSouth in presentations to new customers. Under BellSouth's directives, BellSouth's name would be mentioned as a provider of intraLATA service in every conversation with a new customer, and any other carriers would be mentioned only if the customer specifically requested a list to be read. Because BellSouth is the dominant, virtual monopoly provider of local exchange service, its proposed change would have leveraged BellSouth's role of exclusive gatekeeper to gain unfair competitive advantages in the intraLATA market. Such a practice would not pass muster under the carrier-neutral routines required of BellSouth for interLATA purposes. The Commission ruled in favor of complainants, and required BellSouth to maintain a carrier-neutral approach to new customers. The requirements of a carrier-neutral protocol continued to have no time limitation.

BellSouth's Proposal in This Case is the Same Proposal That the Commission Found to Be Not Carrier-Neutral in the 1996 Case.

BellSouth has shown no valid basis for altering the decision of the Commission in this docket. BellSouth claims that evidence of growing numbers of customer who choose intraLATA carriers other than BellSouth constitutes a reason for discarding the carrier-neutral approach. Instead, such evidence merely shows -- not that BellSouth has been disadvantaged -- but that the competitive intraLATA market is evolving as the Commission hoped it would. Moreover, BellSouth misses the point. The fundamental reason why BellSouth should be required to maintain a carrier-neutral approach when dealing with new customers is that there is no competition in the local market.

D. A STATEMENT OF EACH QUESTION OF FACT THE PARTIES CONSIDER AT ISSUE.

E. A STATEMENT OF EACH QUESTION OF LAW THE PARTIES CONSIDER AT ISSUE.

F. A STATEMENT OF EACH POLICY QUESTION THE PARTIES CONSIDER AT ISSUE.

FCCA, MCI, and AT&T regard Sections D, E, and F to be encompassed in the issue attached to the Prehearing Order, which is as follows:

Should the Commission grant BellSouth relief from the requirements of Section 3 of Order No. PSC-96-1659-FOF-TP, issued December 23, 1996, in Docket Nos. 930330-TP and 960658-TP?

A. What relief, if any, is appropriate?

FCCA, MCI, and AT&T:

The Commission should not alter the requirements of Section 3 of Order No. PSC-96-1659-FOF-TP. Specifically, the Commission should continue to require BellSouth to maintain a carrier-neutral approach when informing new customers of their intraLATA options. BellSouth's proposal would not pass muster under the carrier-neutral routines prescribed by federal law for interLATA purposes. BellSouth's own evidence shows that, with the requirement in place, 68% of new residential customers and 80% of new business customers choose BellSouth as their intraLATA carrier; the rest are divided among 51 competitors. Thus, BellSouth can hardly claim to be disadvantaged by a requirement that does no more than put BellSouth on an equal footing with its competitors when new customers learn of their intraLATA options. More importantly, BellSouth still has a virtual monopoly on local service. It has attendant obligations as exclusive gatekeeper to the intraLATA market. The Commission should not permit BellSouth to leverage that role and abuse its gatekeeper status in order to gain unfair advantages as an intraLATA competitor. (Seay).

G. A STATEMENT OF ISSUES THAT HAVE BEEN STIPULATED TO BY THE PARTIES.

None.

H. A STATEMENT OF ALL PENDING MOTIONS OR OTHER MATTERS THE PARTIES SEEK ACTION UPON.

None.

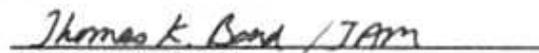
I. A STATEMENT AS TO ANY REQUIREMENT SET FORTH IN THIS ORDER THAT CANNOT BE COMPLIED WITH.

None.



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Attorney for AT&T Communications of
the Southern States, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by United States mail or hand delivery(*) this 15th day of May, 1998, to the following:

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